



Senate

General Assembly

January Session, 2003

File No. 256

Senate Bill No. 1116

Senate, April 9, 2003

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE CONNPAC PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-491 of the general statutes, as
2 amended by section 14 of public act 03-2, is repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2003*):

4 (a) There shall be a "Connecticut Pharmaceutical Assistance
5 Contract to the Elderly and the Disabled Program" which shall be
6 within the Department of Social Services. The program shall consist of
7 payments by the state to pharmacies for the reasonable cost of
8 prescription drugs dispensed to eligible persons minus a copayment
9 charge. The pharmacy shall collect the copayment charge from the
10 eligible person at the time of each purchase of prescription drugs, and
11 shall not waive, discount or rebate in whole or in part such amount.
12 The maximum quantity per prescription shall be a thirty-day supply or
13 one hundred twenty oral dosage units whichever is greater. The
14 copayment for each prescription shall be as follows:

15 (1) Sixteen dollars and twenty-five cents if the participant is (A) not
16 married and has an annual income of less than twenty thousand three
17 hundred dollars, or (B) is married and has an annual income that,
18 when combined with the participant's spouse, is less than twenty-
19 seven thousand five hundred dollars.

20 (2) Upon the granting of a federal waiver to expand the program in
21 accordance with section 17b-492, as amended by this act, the
22 copayment shall be twenty dollars for a participant who is (A) not
23 married and has an annual income that equals or exceeds twenty
24 thousand three hundred dollars, or (B) married and has an annual
25 income that, when combined with the participant's spouse, equals or
26 exceeds twenty-seven thousand five hundred dollars.

27 Sec. 2. Subsection (a) of section 17b-492 of the general statutes, as
28 amended by section 15 of public act 03-2, is repealed and the following
29 is substituted in lieu thereof (*Effective July 1, 2003*):

30 (a) Eligibility for participation in the program shall be limited to any
31 resident (1) who is sixty-five years of age or older or who is disabled,
32 (2) (A) whose annual income, if unmarried, is less than thirteen
33 thousand eight hundred dollars, except after April 1, 2002, such annual
34 income is less than twenty thousand dollars, or whose annual income,
35 if married, when combined with that of the resident's spouse is less
36 than sixteen thousand six hundred dollars, except after April 1, 2002,
37 such combined annual income is less than twenty-seven thousand one
38 hundred dollars, or (B) in the event the program is granted a waiver to
39 be eligible for federal financial participation, then, after July 1, 2002,
40 whose annual income, if unmarried, is less than twenty-five thousand
41 eight hundred dollars, or whose annual income, if married, when
42 combined with that of the resident's spouse is less than thirty-four
43 thousand eight hundred dollars, (3) who is not insured under a policy
44 which provides full or partial coverage for prescription drugs once a
45 deductible amount is met, and (4) on and after September 15, 1991,
46 who pays an annual thirty-dollar registration fee to the Department of
47 Social Services. [Effective January 1, 2002, the commissioner shall

48 commence accepting applications from individuals who will become
49 eligible to participate in the program as of April 1, 2002.] The
50 Commissioner of Social Services shall ensure that the terms and
51 provisions of the waiver application described in subparagraph (B) of
52 subdivision (2) of this subsection are effectuated immediately upon
53 approval of the waiver application. On and after July 1, 2003, any
54 married applicant may elect for participation in the program on an
55 individual basis, provided such applicant's annual income is less than
56 the limit for an unmarried person. On January 1, 1998, and annually
57 thereafter, the commissioner shall increase the income limits
58 established under this subsection over those of the previous fiscal year
59 to reflect the annual inflation adjustment in Social Security income, if
60 any. Each such adjustment shall be determined to the nearest one
61 hundred dollars.

62 Sec. 3. Section 17b-494 of the general statutes is repealed and the
63 following is substituted in lieu thereof (*Effective July 1, 2003*):

64 The Commissioner of Social Services shall adopt regulations, in
65 accordance with the provisions of chapter 54, to establish (1) a system
66 for determining eligibility and disqualification under the program,
67 including provisions for an identification number and a renewable,
68 nontransferable identification card; (2) requirements for the use of the
69 identification number and card by the pharmacy and the eligible
70 person; (3) a system of payments; [(4) limitations on the maximum
71 quantity per prescription which shall not exceed a thirty-day supply or
72 one hundred twenty oral dosage units whichever is greater; (5)] (4)
73 requirements as to records to be kept by the pharmacy, including
74 patient profiles; [(6)] (5) products prescribed for cosmetic and other
75 purposes which shall not be covered under the program; and [(7)] (6)
76 such other provisions as are necessary to implement the provisions of
77 sections 17b-490 to 17b-495, inclusive.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2003</i>

Sec. 3	<i>July 1, 2003</i>
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HS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Social Services	General Fund - Cost	Potential Significant	Potential Significant

Municipal Impact: None

Explanation

The bill allows a married person who wants to participate in the ConnPACE program on an individual basis to do so, provided the person's annual income falls below the program's income limit for a single individual. The income limit for married persons is currently \$27,500 while the limit for single individuals is \$20,300. To the extent that additional persons enroll in the program, the Department of Social Services will incur costs per person of approximately \$1,340 in FY 04 and \$1,450 in FY 05.¹ As of December 31, 2003, there were 10,611 married and 34,484 single/separated persons enrolled in the ConnPACE program.

No fiscal impact is associated with a provision that sets dispensing limits under the ConnPACE program at the greater of a thirty day

¹ However, it should be noted that it is unclear how most married persons would document their income given the bill's language. Under the ConnPACE program "income" is defined to be adjusted gross income (AGI) as determined for purposes of the federal income tax plus any other income of such person not included in AGI minus Medicare Part B premium payments. (Section 17b-490 CGS.) Few married couples file separate income tax returns and, correspondingly, compute their AGI individually.

supply or 120 oral dosage units. These limits are equivalent to those currently in place.

The ability of the agency to implement the terms and provisions of the pending ConnPACE waiver application immediately upon its approval by the Centers for Medicaid & Medicare Services (CMMS) will be mitigated by the program's administrative and contractual constraints. It is expected that DSS will initiate the program expansion envisioned in the waiver application as soon as is feasible following CMMS approval.

The bill also repeals an obsolete statutory reference, which results in no fiscal impact.

OLR Bill Analysis

SB 1116

AN ACT CONCERNING REVISIONS TO THE CONNPACE PROGRAM**SUMMARY:**

This bill allows married applicants to choose to apply for the Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled (ConnPACE) program as individuals if their annual income is less than the income cap for single people, which is currently \$20,300. (The cap for married couples is \$27,500.) It requires that if the federal government approves the state's request for a Medicaid waiver to increase the ConnPACE income limits, the Department of Social Services (DSS) must implement the increase immediately.

The bill also codifies the maximum quantity per prescription under the program at a 30-day supply or 120 oral dosage units, whichever is greater. (Current regulations set the limit at the same level as the bill's limit.) The bill also makes a technical change.

EFFECTIVE DATE: July 1, 2003

BACKGROUND***ConnPACE***

ConnPACE is a state-funded program that helps low-income seniors and people with disabilities who do not qualify for Medicaid pay for prescription drugs. It pays for most prescription drugs, insulin, and insulin syringes and needles for people age 65 and over and younger people with disabilities. Applicants' annual income cannot be more than \$20,300, if single, and \$27,500 if part of a married couple. The income cap is adjusted annually to reflect inflation adjustments in Social Security payments. Participants must be state residents for at least six months and pay a \$30 annual registration fee and a \$16.25 co-payment for each prescription (PA 03-2, §§ 14 and 15).

DSS, at the legislature's direction, has applied for a federal Medicaid waiver to increase income limits to 300% of federal poverty level (FPL): \$26,940 for a single-person household and \$36,360 for a two-person household in 2003. Approval of the waiver would turn ConnPACE into a Medicaid program, which would allow the state to receive federal reimbursement for 50% of its costs. So far, the federal Center for Medicare and Medicaid Services (CMS), which administers the Medicaid program, has not acted on the application.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 12 Nay 6